

Message Text

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ACTION OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-08 AID-05 COME-00 TRSE-00
L-03 OMB-01 CIAE-00 INR-10 NSAE-00 /044 W
-----000901 021828Z /75

R 021735Z MAY 78
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 8103
INFO AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 2902

E.O. 11652: GDS
TAGS: EFIN, ECIN, PE
SUBJECT: PROSPECTS DARKEN FOR OPIC'S PROPOSALS

REF: LIMA 2892

1. TWO RECENT DEVELOPMENTS HAVE CAST DARK SHADOWS ACROSS OPIC'S PROPOSALS FOR REENTRY INTO ECUADOR. ONE IS THE EVIDENT UNWILLINGNESS OF THE MINISTER OF INDUSTRIES, COMMERCE AND INTEGRATION, GALO MONTANO, TO BUCK THE LAWYERS OF THE ANDEAN COMMISSION AND OF THE GOE. THE OTHER IS THE DEATH OF AMB GONZALO APUNTE, CHIEF LEGAL ADVISOR OF THE GOE FOREIGN MINISTRY, WHO CHAIRED THE MOST RECENT DISCUSSIONS ON THIS TOPIC DURING THE VISIT OF OPIC COUNSEL WEISENFELD, AND WHO WAS TO HAVE RENDERED HIS DECISION AT ABOUT THIS TIME.

2. DURING A CALL BY THE E/C COUNSELOR ON APRIL 27, MONTANO SAID THE ECUADOREAN DELEGATION AT THE RECENT MEETING OF THE ANDEAN COMMISSION IN LIMA HAD DISCUSSED OPIC'S PROPOSALS WITH LEGAL AUTHORITIES THERE, WHO HAD CAST STRONG DOUBTS THAT THE "FIDUCIARY AGENT" CONCEPT MEETS THE NEEDS
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OF DECISION 24. MONTANO MADE PLAIN HIS UNWILLINGNESS TO PUSH FOR THE PROPOSAL IN THE FACE OF THIS ATTITUDE ON THE PART OF THE LEGAL EXPERTS. WHEN ASKED ABOUT THE FEASIBILITY OF A PROMPT START-UP FOR OPIC'S PROGRAM OF INSURANCE FOR CONSTRUCTION CONTRACTS, SINCE THESE ARE NOT "INVESTMENTS" IN THE SENSE EMBODIED IN DECISION 24, MONTANO OPINED THAT SOMETHING PROBABLY COULD BE DONE

ON THAT FRONT PROMPTLY; BUT HE INDICATED HE WOULD BE UNABLE TO PRESS FOR SUCH ACTION IN THE NEAR FUTURE, AS HE IS NOW BUSILY ENGAGED IN PREPARATIONS FOR THE ECUADOREAN INVESTMENT MISSION HE IS HEADING TO THE US A WEEK OR SOM HENCE.

3. AMB GONZALO APUNTE, WHO HAD BEEN HOSPITALIZED IN LATE APRIL FOR REASONS NOT KNOWN TO US, PASSED AWAY ON APRIL 30. THE EMBASSY HAS BEEN TRYING, WITHOUT SUCCESS AS YET, TO ARRANGE AN APPOINTMENT FOR AN EMBOFF WITH APUNTE'S ASSISTANT, WILSON VELA, TO SEE WHERE MATTERS STAND IN THE LIGHT OF THIS UNFORTUNATE DEVELOPMENT.

4. EMBASSY COMMENT: THE MOST IMPORTANT FACTOR FAVORING OPIC'S EFFORTS TO REENTER ECUADOR HAS BEEN THE DESIRE OF MINISTER MONTANO TO HAVE THAT HAPPEN. WITH THAT DESIRE NOW OBVIOUSLY LESSENER--OR, PERHAPS MORE ACCURATELY, WITH MONTANO'S WILLINGNESS TO GO OUT ON A LIMB OBVIOUSLY LESSENER--THIS HAS BECOME A LESS IMPORTANT FACTOR, AND THE PROSPECTS FOR SUCCESS FOR OPIC'S EFFORTS HAVE ACCORDINGLY BECOME DARKER.

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